



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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New Zealand

Fresh Deciduous Fruit

Deregulation of the NZ Apple Industry

2001

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Report Highlights: On May 9, the New Zealand Agriculture Minister announced in principle that ENZA, the former apple and pear producer board, would lose its statutory monopoly on exporting from October 1, 2001. This season ENZA may export about three quarters of the total export crop, with independent exporters shipping the rest. A horticultural export authority may be used to protect the "Brand New Zealand" for all apple exporters.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Wellington [NZ1], NZ

On May 9, the New Zealand Agriculture Minister announced in principle that ENZA, the former apple and pear producer board, would lose its statutory monopoly on exporting from October 1, 2001. The Government felt that the status quo was untenable and was under pressure to deregulate from some growers, who were concerned that ENZA (with a 40 percent corporate interest) would seek to load its recent foreign exchange losses (estimated at US \$22 million) on to them. ENZA has also initiated two lots of court action against the current export regime which the Government felt had the potential to disrupt marketing programs. For the last two seasons, independent exporters have had to get permission to bypass ENZA from an independent export permits committee, based on a determination that their exports complemented and did not compete with ENZA. ENZA complained that some permits were granted that competed with them. Some growers along with ENZA supported a return to a single export desk.

Last season ENZA marketed and sold 18 million apple cartons, used 100 ships and dealt with over 50 countries. Less than two million cartons were exported by independent exporters with the total exports being 20 million cartons in a very good season. This year (2001 season), ENZA was hoping to export around 13-14 million cartons but a much reduced export crop due to earlier cold weather may limit ENZA's exports to 10-12 million cartons. Independent exporters have received permit approval to export 4.7 million cartons, but they may only export 3 million cartons. A horticultural export authority, a body that assists other commodities like avocados, may be used to protect the "Brand New Zealand" for all apple exporters by providing some regulations. The Government will need to approve legislation before October to deregulate the industry as proposed.